

## Article - Tax - General

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§10–718.

(a) In this section, “eligible long–term care premiums” means eligible long–term care premiums within the meaning of § 213(d)(10) of the Internal Revenue Code for a long–term care insurance contract covering an individual who is a Maryland resident.

(b) An individual may claim a credit against the State income tax in an amount equal to 100% of the eligible long–term care premiums paid by the individual during the taxable year for long–term care insurance covering the individual or the individual’s spouse, parent, stepparent, child, or stepchild.

(c) The credit allowed under this section:

(1) may not exceed \$500 for each insured covered by long–term care insurance for which the individual pays the premiums;

(2) may not be claimed by more than one taxpayer with respect to the same insured individual; and

(3) may not be claimed with respect to an insured individual if:

(i) the insured individual was covered by long–term care insurance at any time before July 1, 2000; or

(ii) the credit has been claimed with respect to that insured individual by any taxpayer for any prior taxable year.

(d) (1) The total amount of the credit allowed under this section for any taxable year may not exceed the State income tax for that taxable year, calculated before application of the credits under this section and §§ 10–701 and 10–701.1 of this subtitle, but after application of the other credits allowable under this subtitle.

(2) The unused amount of the credit for any taxable year may not be carried over to any other taxable year.

(e) The credit allowed under this section does not affect the treatment under this title of any deduction or exclusion allowed for federal income tax purposes for the eligible long–term care premiums paid by the individual.

(f) On or before December 1, 2005 and each December 1 thereafter, the Comptroller shall report to the Governor and, subject to § 2-1257 of the State Government Article, to the General Assembly, regarding the credit allowed under this section, including:

(1) the number of individuals who have claimed the credit, the amount allowed as credits, and the additional number of individuals covered by long-term care insurance as a result of the credit; and

(2) the savings under the State's Medical Assistance Program as a result of additional individuals being covered by long-term care insurance as a result of the credit.

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